

Amendment No. 1 to SB1708

McNally  
Signature of Sponsor

**AMEND Senate Bill No. 1708\***

**House Bill No. 1679**

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following as new subsection (r):

(r)

(1) As used in this subsection (r):

(A) "Best interests of the state" means a determination by the commissioner of finance and administration, with approval by the commissioner of correction, that development of the commercial development district is a result of the special allocation and distribution of state and local sales taxes provided for in this subsection (r); and

(B) "Commercial development district" or "district" means the development of an area comprised of property acquired from the state on or after January 1, 2014, by a county or an industrial development corporation created by a county, which property was used by the state as a correctional facility for a period of not less than fifty (50) years, and which property is located in a county that had a monthly unemployment rate of at least two (2) percentage points higher than the monthly unemployment rate for the state as of January 1, 2014, according to rates determined by the department of labor and workforce development and the bureau of labor statistics of the United States department of labor.

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(2) Notwithstanding the allocations provided for in subsection (a), if the commissioner of finance and administration, with approval by the commissioner of correction, determines that the special allocation of state and local sales taxes, as authorized by this subsection (r), is in the best interests of the state, then the following amounts of revenue derived from sales taxes imposed by this chapter on sales of all items and services occurring on the property within the district shall be apportioned and distributed to the county or the industrial development corporation designated by the county:

(A) The amount of local sales tax revenue not dedicated for school purposes pursuant to § 67-6-712(a)(1); and

(B) The amount of state sales tax revenue derived from five percent (5%) of the rate of tax imposed by § 67-6-202.

(3) The amount of such state and local sales taxes apportioned to the county or industrial development corporation shall be applied to pay debt incurred by the county or industrial development corporation to facilitate the development of the property within the district.

(4) Apportionment and distribution of such tax revenue shall begin with the fiscal year of the state commencing July 1, 2014, and shall continue for a period of twenty (20) years, or until the date on which the debt incurred by the county or industrial development corporation is retired, whichever is sooner. Following the expiration of this twenty-year period, or upon the date on which the

debt is retired, whichever is sooner, all amounts that would have otherwise been distributed to the county or industrial development corporation or retained in lieu of distribution shall be allocated as provided elsewhere without regard to this subsection (r).

(5) Notwithstanding subdivision (r)(2) to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to Section 9, Chapter 529 of the Public Acts of 1992, and no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%) contained in Section 4, Chapter 856 of the Public Acts of 2002, shall be apportioned and distributed pursuant to this subsection (r). The revenue shall continue to be allocated as provided in Chapter 529 of the Public Acts of 1992, and Chapter 856 of the Public Acts of 2002, respectively.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.